



STATE OF INDIANA

OFFICE OF THE TREASURER

RICHARD MOURDOCK

317-232-6386

WWW.IN.GOV/TOS

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Contact: Christopher Conner (317)232-6387
cconner@tos.in.gov

Indiana State Treasurer Richard Mourdock Disappointed by Court's Decision on Chrysler Bankruptcy; Files Appeal

INDIANAPOLIS (June 01, 2009) – “I am disappointed but not surprised by the ruling of Judge Arthur Gonzalez regarding the bankruptcy sell of Chrysler, LLC. The court is determined to rewrite 150 years of law defining ‘secured creditor.’ It saddens me to see government conducted in this manner. In Judge Gonzalez’s opinion he stated, ‘The debtors are receiving fair value for the assets being sold. Not one penny of the debtor’s assets is going to anyone other than senior lenders.’ I find his statement to be very disturbing because the new ‘Chrysler Group’ will be in possession of Chrysler, LLC’s best performing factories and dealerships. Fiat will be controlling 20%, and the governments of the United States and Canada will be controlling 20% and 2% respectively. Yet, our Indiana State Police retirees, Hoosier taxpayers, and Hoosier teacher retirees will only be receiving \$0.29 on the dollar for their position as secured creditors.

In addition, Judge Gonzalez did not even address the issue of the illegal misuse of TARP funds. The TARP statutes clearly provide federal bailout money for ‘financial institutions.’ Chrysler is not a financial institution and therefore the use of federal TARP funds to leverage its sale to the government’s preferred unsecured creditors is illegal. I cannot stand by while the federal government treats our state police officers, teachers, and taxpayers in such a manner. I have instructed our attorneys to appeal the decision made by Judge Gonzalez to the U.S. District Court.”